

## **A Summary of the Medicaid School Based Health Services Program (IEP Medicaid Claims Program)**

The Medicaid School Based Health Services Program is used by the State to generate Medicaid reimbursement for medically related services provided to eligible students. To be eligible, a student must be receiving special education services, enrolled in Medicaid, and receiving Medicaid billable services. Supervisory unions are enrolled as Medicaid providers to submit claims for their member school district. Each school district can only submit claims for the students for which the district serves as the local education agency under the federal special education law (IDEA) and is fiscally responsible. Claims can only be submitted for students who are receiving special education services pursuant to an IEP/IFSP. Services provided through 504 plans may not be billed to Medicaid.

### **Parental Consent/Release of Information**

Parental consent is required before any Medicaid claims can be processed. In order for the school to bill Medicaid, the student's legal guardian must sign a Release of Information Form. If a parent refuses to give consent, the school district may not bill Medicaid for any services provided to the student.

### **Physician Authorization Form**

Medicaid requires a Physician Authorization Form, which establishes that some of the IEP services are medically necessary. The family physician or nurse practitioner, or a consulting physician who is under contract with the school district, can sign the authorization form. If the school district is using a consulting physician, the parent must give consent in order for the school to release the student's information to the physician.

### **Claims for School Based Health Services**

1. Annual IEP – The school district is allowed to bill a set amount for the case management involved in developing the student's annual individualized education plan (Blue Form). A limit of two IEP claims in a 245-day period will be reimbursed. No reimbursement is allowed for an initial IEP.
2. Special Education Re-evaluation – The school district is allowed to bill a set amount for the case management involved in conducting a special education re-evaluation (Pink Form). A limit of one claim in every 910-day period will be reimbursed. No reimbursement is allowed for an initial special education evaluation.
3. School Based Health Services LOC Claims – School districts bill for school based health services using a bundled rate system rather than billing for each individual service the student receives. For each student, the school district records on a Student Provider Form the specific staff providing each of the IEP services designated as medically necessary by the physician. This form shows the name(s) of the staff person for each of the student's Medicaid eligible services. The school district is required to have each staff person providing services billed to Medicaid complete a Provider Certification/Agreement/Reassignment of Payment Form.

By signing the form, the staff person shows what category of provider they are and agrees that they will not bill Medicaid for the services provided they provide. The school district is also responsible for requesting and keeping copies of licenses for professional staff members.

The student's case manager records the billable services provided to each student according to the IEP on a Level of Care (LOC) Form. For each service, the hours of service per week are shown on the form in order to establish a specific level of care.

The billable services are:

- Case management
- Developmental & assistive therapy
- Mental health counseling (if not provided by a mental health agency)
- Rehabilitative nursing services
- Occupational therapy
- Physical therapy
- Speech, hearing & language services
- Personal care

The Level of Care Form converts the hours of service into units of service. Services are weighted differently according to their medical relevance, the instructional group size, and whether a licensed professional or other staff member provides the service. The weighting system creates a value for the total units of service provided each week. A Level of Care Group 1 (LOC 1) is used to claim reimbursement for students receiving up to 6 total units of service per week. A Level of Care Group 2 (LOC 2) is used for students receiving 6 to 12 weekly units of service, and a Level of Care Group 3 (LOC 3) designates 12 to 24 weekly units. A Level of Care Group 4 (LOC 4) is assigned to students who receive 24 to 42 weekly units of service. Services in excess of 42 units per week may be billed as outlier units.

There are nine LOC billing periods - August/September, October, November, December/January, February, March, April, May/June, and July/August (for summer services). Medicaid billing is submitted based on the number of days that the student receives services during the billing period (i.e. the student's attendance). The billing rate varies depending on the number of days that services were delivered. Once the student has received services for more than 10 days in a billing period, 100% of the reimbursement is earned. For 5 to 10 days, 75% is earned; for less than 5 days of service, 50% is earned. For each billing period, the case manager documents the attendance on the LOC Form and the claim is then submitted.

4. Other Billing – If a school district is paying for a residential placement at a PNMI facility such as Baird Center, Brattleboro Retreat, Brookhaven, Bennington School or the Eckerd Programs, the school districts may bill using the treatment portion of the PNMI rate developed for the facility. There is also a process for submitting claims for durable medical equipment. The applications for durable medical equipment and the PNMI claims are submitted in paper form to the Department of Education.
5. Services to Students on Individual Family Service Plans – School districts may also bill for services they provide to students on IFSP's from birth to age three. These services are billed on a fee-for-service basis. School districts may bill for the IFSP services as long as they are not paid for with federal funds. These claims are submitted in paper form to the Department of Education.

### **Submission of Claims**

For each billing period, the Medicaid clerk collects the LOC Forms and other claims from the case managers. Medicaid clerks may submit the claims electronically directly to EDS or on paper to the Department of Education. Paper submission to DOE requires the special education

director's signature on the billing form. Claims submitted on paper are mailed to DOE and are then entered by DOE staff and submitted electronically to EDS. EDS receives the claims and processes them for payment. For districts submitting electronically, a weekly Remittance Advice (RA) is mailed to the supervisory union showing which claims are paid, denied, adjusted, or put into suspension (for manual review).

### **Deadline for Submitting Claims**

Effective January 1, 2002, the deadline for submitting claims is six months from the date of service. For claims with dates of service prior to January 1, 2002, the two-year deadline still applies.

### **Grants**

Supervisory unions receive 50% of the federal Medicaid reimbursement earned for their claims. The exception is that reimbursement earned for claims for State-Placed Students is retained by the State. The reimbursement is received through monthly Medicaid grants issued by Department of Education. The supervisory unions are required to distribute the funds to its member school districts based on how the funds were generated unless the supervisory union board has agreed to a different distribution.

Under 16 V.S.A. §2959a (e) school districts are required to use State funds for:  
...prevention and intervention programs in grades pre-K through 12. The programs shall be designed to ensure all students achieve rigorous and challenging standards adopted in the Vermont Framework of Standards and Learning Opportunities or locally adopted standards. A school district shall provide an annual written justification to the Commissioner of Education of the use of the funds. Such annual submission shall show how the funds' use is expressly linked to those provisions of the school district's action plan that directly relate to improving student performance.